

SYNNEX AUSTRALIA REVENUE RISES IN FIRST QUARTER

On track to reach \$1.5 billion target

The Australian operation of distribution outfit, Synnex has increased revenue in the first quarter of 2011 by 15 per cent, compared to the same period last year.

Consolidated financial results for Synnex Technology International (Taiwan, Hong Kong, China and A/NZ) during the first quarter of 2011 shows net income was \$45 million.

Sales from information products were up five percent to \$1.26 billion, and accounted for 52 per cent of the company's total revenue.

Communication products sales were also rose 41 per cent year-on-year to \$NT15 billion accounting for 20 percent of Synnex's revenue.

Synnex Australia CEO, Kee Ong, told ARN

most of the growth was due to support from its reseller base.

"The growth has been across the board from the consumer to commercial segment," he said. "The investments we have made in our people, systems and processes are paying off and I'm pleased to say we're on track to hit our target of \$1.5 billion by the end of the year."

The strength of the Australian dollar has been challenging, Ong said. But the volume of product sales increased substantially, which offset some of the impact.

"This is an impact that a lot of people will feel deeply on the profit side, it's become a challenge for businesses because it's just too high," he said. "With the strength of the Australian dollar, the average price of a lot of products is coming down, but

ARN
05 May, 2011 09:38
By Julia Talevski

http://www.arnnet.com.au/article/385369/synnex_australia_revenue_rises_first_quarter/?eid=-4152&uid=155348

SYNNEX AUSTRALIA REVENUE RISES IN FIRST QUARTER (CONT.)

logistics costs are a fixed cost per-box, and this is where logistics, percentage-wise, is increasing. We need balance that carefully.”

Ong had a positive outlook for the second quarter, but said it could be impacted due to some supply constraints on key products moving into May and June.

The impact from the Japanese disaster will also be felt in terms of components shortages such as hard drives and notebook batteries.

“Some people will feel it, but some may not, it depends on the different manufacturers, inventory levels, how much stock is on hand,” Ong said.

In September, Synnex Australia revealed plans behind a \$32 million warehouse it

expects to move into by 2012.

DA approval for the construction of the warehouse was still pending, but Ong hopes to have it finalised in a couple of weeks.

“At the moment, the project is on schedule,” Ong said.

The distributor will begin construction on its new automated warehouse facility in Lidcombe, Sydney, next month.

Synnex spent \$12 million for the piece of land and the remaining \$20 million will be used to construct the warehouse.

The new facility is expected to create an extra 100 jobs in Sydney over the next two years.

ARN
05 May, 2011 09:38
By Julia Talevski

http://www.arnnet.com.au/article/385369/synnex_australia_revenue_rises_first_quarter/?eid=-4152&uid=155348